

THIS PRINT COVERS CALENDAR ITEM NO. : 10.3

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Finance and Information Technology

BRIEF DESCRIPTION:

Resolution authorizing the Director of Transportation, or his designee, to file a claim with the Metropolitan Transportation Commission for allocation of operating assistance from Transportation Development Act, State Transit Assistance including Senate Bill 1 (SB1) funds, AB1107 One-Half Cent Sales Tax, and Regional Measure 2 funds for Fiscal Year 2019 to support the operating budget.



SUMMARY:

- The SFMTA annually files a claim with the Metropolitan Transportation Commission (MTC), for operating assistance from Transportation Development Act (TDA), State Transit Assistance (STA), AB1107 One-Half Cent Sales Tax (AB1107), and Regional Measure 2 (RM2) funds all of which are administered by MTC. STA includes the new funds from SB1
- MTC requires the SFMTA to submit a resolution from its governing board authorizing the Agency to file a claim for allocation of TDA, STA, AB1107, and RM2 funds.
- The amounts in the SFMTA FY2019 Budget to be allocated from TDA, STA, AB1107 and RM2 funds will be finalized after the State budget is approved and the MTC confirms the availability of the funds.
- The SFMTA has determined that the proposed action is categorically exempt from the California Environmental Quality Act (CEQA).
- The proposed action is the Approval Action as defined by the S. F. Administrative Code Chapter 31.

ENCLOSURES:

1. SFMTAB Resolution

APPROVALS:

	DATE
DIRECTOR  _____	<u>4/25/2018</u>
SECRETARY  _____	<u>4/24/2018</u>

ASSIGNED SFMTAB CALENDAR DATE: May 1, 2018

PAGE 2.

PURPOSE

Authorizing the Director of Transportation or his designee, to file a claim with MTC for allocation of operating assistance from the Transportation Development Act, State Transit Assistance including SB1, AB 1107 One-Half Cent Sales Tax, and Regional Measure 2 funds for Fiscal Year 2019 to support the Operating Budget.

STRATEGIC PLAN GOALS AND TRANSIT FIRST POLICY PRINCIPLES

The SFMTA will further the following goal of the Strategic Plan through acceptance of these funds:

- Goal 3 - Improve the environment and quality of life in San Francisco.
 - Objective 3.3: Allocate capital resources effectively.
 - Objective 3.5: Reduce capital and operating structural deficits.

This item will support the following Transit First Policy Principles:

1. To ensure quality of life and economic health in San Francisco, the primary objective of the transportation system must be the safe and efficient movement of people and goods.

DESCRIPTION

MTC is the regional transportation planning agency for the San Francisco Bay Area pursuant to Government Code Sections 66500 et seq. The Transportation Development Act (TDA) (Public Utilities Code §§99200 *et seq.*) provides for the disbursement of funds from the Local Transportation Fund (LTF) of the City and County of San Francisco (City) for use by eligible applicants for the purpose of approved transit projects. Prospective applicants wishing to receive an allocation from the LTF for transit-related purposes must file an annual claim with MTC.

MTC apportions TDA funds (that are held in the LTF) based on an estimate of sales tax generation for the claim year prepared by MTC and City auditors. STA revenue-based operating assistance comes from a State sales tax on fuel, and STA-population-based (paratransit) assistance is computed according to a formula based on the population of the area, which may be adjusted during the governor's annual budget process. AB1107 refers to the one-half cent sales tax, which is based on MTC estimates of sales tax growth generations. RM2 funds are dispensed based on the agency's request for operating allocations, subject to meeting eligibility requirements and availability of RM2 operating funds.

The SFMTA FY 2019 Operating Budget includes TDA, STA, AB1107 and RM2 funds. The SB1 portion of STA is estimated at \$27 million in the FY 2019 Operating Budget.

PAGE 3.

The exact amounts available to the SFMTA for FY 2019 will not be known until after the State budget is approved. RM2 funding is restricted to a specific activity; MTC has designated those funds to support late night OWL operating service.

STAKEHOLDER ENGAGEMENT

On February 20, 2018, March 6, 2018, and March 20, 2018, the SFMTA Board of Directors reviewed, and on April 3, 2018, approved the operating budget for FY 2019 and FY 2020 that included TDA, STA, AB1107 and RM2 funds. These fund sources were discussed at the various budget outreach and stakeholder meetings.

ALTERNATIVES CONSIDERED

If this claim is not submitted to the MTC, the SFMTA will not be able to receive TDA, STA, AB1107 and RM2 funds that have been included in the operating budget for FY 2019. If these funds are not available, alternative funding sources will need to be identified to support the FY 2019 operating budget and/or services will need to be reduced or eliminated.

FUNDING IMPACT

MTC projects that it will distribute the following amounts to the SFMTA in FY 2019. The exact amounts available are subject to approval at the State budget:

	FY 2019 MTC Allocation
TDA Funding	\$ 46,162,703
State Transit Assistance – Revenue-Based (includes projection of \$27 million in SB 1 funds)	50,121,811
State Transit Assistance – Population-Based (Paratransit)	428,572
AB 1107 funding	43,268,400
RM2 operating Assistance & Owl Service Funding	2,687,501
Total Request	\$ 142,668,987

ENVIRONMENTAL REVIEW

The proposed action is subject to the California Environmental Quality Act (CEQA). CEQA provides a categorical exemption from environmental review for existing facilities as defined in Title 14 of the California Code of Regulations Section 15301.

On March 29, 2018, the SFMTA, under authority delegated by the Planning Department, determined (Case Number 2018-005354ENV) that the proposed action is categorically exempt

PAGE 4.

from CEQA as defined in Title 14 of the California Code of Regulations Section 15301.

The proposed action is the Approval Action as defined by the S. F. Administrative Code Chapter 31.

A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors, and may be found in the records of the Planning Department at 1650 Mission Street in San Francisco.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

The City Attorney's Office has reviewed this calendar item and has provided an Opinion of Counsel stating that the SFMTA is eligible to receive the funds requested and that there are no legal impediments for SFMTA's use of the funds.

RECOMMENDATION

Staff recommends that the Board authorize the Director of Transportation, or his designee, to execute and file a claim with MTC for an allocation of TDA, STA, AB1107 and RM2 funds for Fiscal Year 2019 to support the operating budget.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, The Transportation Development Act (TDA) (Public Utilities Code §§99200 *et seq.*) provides for the disbursement of funds from the Local Transportation Fund (LTF) of the City and County of San Francisco (City) for use by eligible applicants for the purpose of approved transit projects; and

WHEREAS, Under the provisions of the TDA, and under the applicable rules and regulations promulgated pursuant to the TDA (21 Cal. Code of Regs. §§6600 *et seq.*), a prospective applicant wishing to receive an allocation from the LTF must file its claim with the Metropolitan Transportation Commission (MTC); and

WHEREAS, The State Transit Assistance (STA) fund is created under Public Utilities Code Sections 99310 *et seq* and includes the recently approved Senate Bill 1 (SB1) Transportation funds.; and

WHEREAS, The STA fund makes funds available under Public Utilities Code Section 99313.6 for allocation to eligible applicants to support approved transit projects; and

WHEREAS, The SFMTA will required TDA funds from the LTF of the City and STA funds in Fiscal Year 2019 for approved transit projects; and

WHEREAS, Public Utilities Code Sections 29140, *et seq.* (AB1107) makes available 25 percent of the half-cent sales tax revenues collected in the three BART counties (Alameda, Contra Costa, and San Francisco) for allocation by MTC to eligible applicants; and

WHEREAS, Under the provisions of Public Utilities Code Section 29142.2, eligible applicants for AB1107 funds include the City and County of San Francisco for its Municipal Railway system; and

WHEREAS, Regional Measure 2 (RM2) establishes the Regional Traffic Relief Plan and identifies specific capital projects and programs eligible to receive RM2 funding, including operating assistance, as identified in Section 30914(c) and (d) and Section 30914.5 of the California Streets and Highway Code; and

WHEREAS, MTC has determined that the SFMTA complies with the requirements of Public Utilities Code Section 29142.5 and Government Code Section 66517.5; and

WHEREAS, The SFMTA is an eligible applicant for TDA, STA, AB 1107, and RM2 funds, as attested by the Opinion of Counsel submitted with this resolution; and

WHEREAS, The claim for allocation of operating assistance from Transportation Development Act, State Transit Assistance including SB1, AB1107 One-Half Cent Sales Tax, and Regional Measure 2 funds for Fiscal Year 2019 to support the operating budget is subject to the California Environmental Quality Act (CEQA); CEQA provides an exemption from environmental review for existing facilities as defined in Title 14 of the California Code of Regulations Section 15301; and,

WHEREAS, On March 29, 2018 the SFMTA, under authority delegated by the Planning Department, determined that the proposed action is categorically exempt from CEQA, pursuant to Title 14 of the California Code of Regulations Section 15301, and,

WHEREAS, The proposed action is the Approval Action as defined by the S. F. Administrative Code Chapter 31; and,

WHEREAS, A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors, and may be found in the records of the Planning Department at 1650 Mission Street in San Francisco, and is incorporated herein by reference; now, therefore be it

RESOLVED, That the SFMTA Board of Directors authorizes the Director of Transportation, or his designee, to file a claim with the Metropolitan Transportation Commission for allocation of operating assistance from Transportation Development Act, State Transit Assistance including Senate Bill 1 Transportation funds, AB1107 One-Half Cent Sales Tax, and Regional Measure 2 funds for Fiscal Year 2019 to support the operating budget; and be it

FURTHER RESOLVED, That the SFMTA shall transmit a copy of this resolution to MTC in conjunction with the filing of the claim, and requests MTC to grant the allocations of the funds as specified herein.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of May 1, 2018.

Secretary to the Board of Directors
San Francisco Municipal Transportation